

GROWING PLACES FUND – ROUND 2 BRIEFING DOCUMENT

Objectives

1. The objective of the Buckinghamshire Thames Valley Local Enterprise Partnership (BTVLEP) Growing Places Fund is to stimulate economic activity by investing in 'shovel ready' projects which:
 - Address commercial property and transport infrastructure and site constraints and promote the delivery of housing or other developments;
 - Improve the communications infrastructure, in particular the availability of broadband services;
 - Deliver innovative and creative projects which remove barriers to economic growth or promote jobs;
2. BTVLEP invites proposals that meet these objectives. In issuing this invitation, BTVLEP is keen to start to spread the net as wide as possible, and to encourage new and innovative approaches to old problems, large or small, as long as they can be shown to support this definition of the Fund's objective.
3. The basic qualifying conditions are:
 - That your scheme meets at least one element of the objective above;
 - That your scheme has all the necessary planning consents/approvals to proceed;
 - That your scheme will create a capital asset¹.
 - That your scheme can guarantee to pay back the sum of money advanced;
 - That your scheme complies with State Aid guidance

Terms and Conditions

4. As far as this last point is concerned, applicants will also need to provide some evidence that they have understood how the European State Aid rules impact on their sphere of operation in general and their application in particular. Advice on this issue will be signposted during pre-application discussions.
5. The Growing Places Fund will not provide gap funding, grant funding or subsidy. The Fund cannot be used to make unviable developments or business proposals viable (nor will it help applicants increase profit levels). This is because any advance from the Fund needs to be repaid. If a scheme is unviable and it receives forward funding, it is still unviable; it will never generate sufficient profit for it to repay its investors and the Fund. Unviable schemes that require gap funding, grant or subsidy to make them profitable should seek support from elsewhere. The Growing Places Fund will not support schemes for which more appropriate sources of funds, loans or grants are readily available. The purpose of the pre-application discussion is to ensure that applicants are fully aware of the sources of help available. The Growing Places Fund is not loan funding. It is forward funding, with Growing Places Fund investment drawn down against claims for eligible expenditure.
6. In the event that BTVLEP, BBF or BCC receives a Freedom of Information Act request to disclose anything contained in an application, we will normally comply. The reason for this is that we are administering public money on behalf of the Government, and therefore normal public sector standards of transparency and disclosure will be applied. If an applicant considers there are good reasons why certain information (commercially sensitive or otherwise protected by confidentiality) ought not to be disclosed by this means, then this issue will need to be identified at the time of submitting an application.
7. The arrangements for allocating Growing Places Funding in Buckinghamshire Thames Valley is a work in progress, and we reserve the right to alter, amend, improve and develop the procedure, the guidance and application form in the light of experience.

Application Process

8. If you think the Growing Places Fund can help your scheme, download the guidance, application forms and other files from our website and then contact Jim Sims on 07740 511976 for a pre-application discussion.
9. Potential applicants whose scheme does not meet these basic criteria will be advised to seek alternative sources of help. Those who do meet the basic criteria will be invited to submit an Application Form. All submitted application forms will be reviewed by an evaluation panel established by BTVLEP, who will score each application and make a recommendation as to whether the application should be rejected; be referred back for further development; or be provisionally accepted.

¹ Expenditure can be capitalised where it relates to the: acquisition, reclamation, enhancement or laying out of land; acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures; acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles or vessels. In addition, intangible assets can be capitalised. Examples are software licences, quotas, patents, copyrights, franchises and trademarks. Any expenditure that relates to the day to day running of an entity is regarded as Revenue expenditure and cannot be capitalised. Examples are salaries, utility bills, general overheads. This is because the expenditure benefits only the current year. It is treated as an expense to be matched against revenue.

10. Any provisionally accepted applications will be subject to an independent due diligence process before they are submitted to the BTVLEP Board for the final determination of the application.
11. Following final decision by the BTVLEP Board, all applicants will be informed whether or not their application has been successful and provided with any supporting information.
12. The thrust of a good application will be the impact it has on the Buckinghamshire economy, the number of jobs it will create, the soundness of the overall proposition, including the ability of the scheme to repay the advance of funds, and a clear statement of why only the Growing Places Fund can help unblock the scheme and remove the barrier to growth.

Stage	Notes	Timings	Who
Pre – application discussion	All applicants advised to contact staff for pre-application discussion	At will	BBF staff
Screening: Referral at pre-application stage to more appropriate agencies, funds or sources of help OR Proceed to Full Application	The basic qualifying conditions are that the scheme: <ul style="list-style-type: none"> • Meets at least one element of the GPF objective; • Will create a capital asset that meets our accounting definition; • Has a coherent proposal for paying back the money advanced; • Has all the necessary planning consents/approvals to proceed; • Complies with State Aid guidance Schemes that cannot meet these conditions will be referred elsewhere. Schemes that can will be encouraged to progress to Full Application	At will	BBF staff
Full Application	Describes the <ul style="list-style-type: none"> • proposal, • impact on the economy, • capital nature of the asset, • suitability of GPF, • other sources of funding considered • proposed pay back mechanism 	By 6 th July	Applicant
Evaluation Panel & Initial Due Diligence process	Panel scores each application, and prepares a summary appraisal for each project. Co-ordinator conducts due diligence on applications which are likely to be recommended (using published data sources)	After cut-off date	Evaluation Panel Members
Project Selection Process	Evaluation Panel Co-ordinator prepares a summary report based on the applications received, making recommendation about which projects to award. BTVLEP Board makes final decision.	July 20 th BTVLEP Board	Panel Co-ordinator and Board
Feedback Process	Projects are informed of the outcome of their application; <ul style="list-style-type: none"> - Success (move to Phase 6) - Failure (Feedback to customer – with reasons for non selection) 	After 20 th July	BBF staff
Contracting	Projects move to contracting & due diligence	Following standstill period	BCC staff

13. There is a total of £1,700,000 available in the Fund, and the LEP intend to support a small number of projects with a minimum value of £500,000. There is no maximum limit to an application.
14. All applications need to be submitted by 5.00pm on **Friday 6th July 2012**
15. All applications should be sent to Jim Sims on jim@bbf.uk.com by 5.00pm on this date

Draft Scoring Grid for Project Assessment

16. This document outlines criteria for the measures used to assess the individual projects put forward GPF2 Applications. Associated with these measures are their relative importance to the success of the project of delivering and returning funds to GPF for further use. The main criterion determined by Government is for jobs growth so clearly this will have a major influence on those projects chosen by the LEP.
17. The measures that will give the LEP a rounded view of projects are as follows:
 - a. Strategic fit to the overall objectives of the LEP Strategy
 - b. Project's ability to create direct jobs
 - c. Project's ability to create or retain indirect jobs
 - d. Projected project payback
 - e. Projected payback time frame
 - f. The fit in the Portfolio of projects to give a balanced risk profile of the monies invested

g. The riskiness of the project

Measures	Scoring	Weighting
1. Strategic Fit	0 = low 5 = medium 10 = high	15%
2. Direct Job Creation	0 = 2 or fewer jobs created 2 = 3 to 10 jobs 4 = 11 to 25 jobs 6 = 26 to 100 jobs 10 = greater than 101	25%
3. Indirect Job Creation/Retention	0 = 2 or less jobs 2 = 3 to 10 jobs 4 = 11 to 25 jobs 6 = 26 to 100 jobs 10 = greater than 101	5%
4. Payback	0 = 100% of the advance 5 = possibility of share of profits / interest to take repayment over 100% 10 = certainty of share of profits / interest to take repayment over 100%	15%
5. Payback Timescale	How quickly will the investment capital be restored to the LEP? 0 = 5 years or more 3 = 2 to 5 years 6 = 1 to 2 years 10 = less than 1 year	10%
6. Portfolio Balance	New project is similar to existing approved schemes 0 = Substantially (unbalancing) 5 = Moderately 10 = Slightly (balancing)	10%
7. Project Risk	Does the project being assessed carry a risk of zero return to the Fund 0 = substantial 5 = moderate 10 = low	20%

If there is anything in this briefing which is not clear, or raises further questions for you, or you think has not been properly thought through, or is likely to have unintended consequences, please get in touch with Jim Sims on 07740511976 to discuss your concerns.